NO. 93-1393

Supreme Court, U.S.
FILED
APR 7 1994
OFFICE OF THE CLERK

In the Supreme Court of the United States

OCTOBER TERM, 1993

STEPHEN AND MALVINA GALLODORO
Petitioners

vs.

STATE FARM MUTUAL
AUTOMOBILE INSURANCE COMPANY
Respondent

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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State Farm Mutual Automobile
Insurance Company

A B Letter Service, Inc., 327 Chartres St., New Orleans, La. (504) 581-5555

37 pp

QUESTIONS PRESENTED FOR REVIEW

1.

Do plaintiffs have standing to challenge the decisions of the trial court and Fifth Circuit Court of Appeal where plaintiff has accepted full payment of all claims asserted, has cashed a draft forwarded in full satisfaction of all claims asserted, and where plaintiff is now barred by the doctrine of accord and satisfaction?

2.

Where an evidentiary hearing is held, and defendant produces prima facia evidence that it is an Illinois corporation, with a principal place of business in Illinois, and plaintiffs are Louisiana domicilaries, did the district court err in denying plaintiff's motion to remand?

3.

Is the well settled rule that actions under the uninsured motorist provisions of an auto liability policy do not fall within the proviso of 28 U.S.C. Section 1332(C)(1), erroneous?

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Statute

28 U.S.C. 1332(C)(1) 1,2,4,6,7

STATEMENT OF THE CASE

Petitioners have no standing to bring this matter before this court. After the decision of the United States Fifth Circuit Court of Appeal, defendant forwarded plaintiffs, on January 6, 1994, a general release of claims and certificate of docket satisfaction. Respondent forwarded petitioners a draft in the amount of $70,874. See, Appendix, pages A-1 through A-3.

The draft was endorsed by petitioners and their attorney and cashed January 10, 1994. See, Appendix, page A-7, A-8.

The draft was clearly presented for extinguishment of all claims. The draft was cashed, by plaintiffs and their attorney, effectively extinguishing all matters raised in the petition for certiorari. This court has no jurisdiction of this matter, as an accord and satisfaction has been effected.

Respondent proved to the satisfaction of the trial court and Fifth Circuit Court of Appeal, that it is an Illinois corporation, with a principal place of business in Illinois. Defendant was incorporated in 1922. An evidentiary hearing was held by the trial court, which correctly denied plaintiff's motion to remand. The trial court properly upheld federal diversity jurisdiction, and properly applied Louisiana law in granting judgment in favor of plaintiffs at trial. Plaintiff has no injury that would justify review by this court.

Plaintiffs are in error by asserting that 28 U.S.C. Section 1332(C)(1) applies to actions under the uninsured

motorist provisions of an automobile liability policy. Such actions are not encompassed within the statute.

SUMMARY OF THE ARGUMENT

Petitioners have no right to bring this application. Respondent forwarded a draft in full payment of all claims on January 6, 1994. The draft was presented for payment on January 10, 1994. The petitioners' claims are extinguished by the doctrine of accord and satisfaction.

The trial court properly denied petitioners' motion to remand. Respondent produced adequate proof that it is an Illinois corporation with a principal place of business in Illinois. Petitioners are Louisiana citizens. Diversity jurisdiction was properly maintained.

28 U.S.C. 1332 (C)(1) does not apply to claims under the uninsured motorist provision of an automobile liability policy. Petitioners are attempting to invoke this provision. It is inapplicable.

There exists no reason for this court to exercise jurisdiction over this matter.

ARGUMENT

THE DOCTRINE OF ACCORD AND SATISFACTION BARS THIS PETITION.

After the Fifth Circuit Court of Appeal rendered its decision on December 7, 1993, correctly affirming the judgment of the trial court, counsel for defendant forwarded a

draft in full payment of the judgment below on January 6, 1994 with a General Release of Claims and Certificate of Docket Satisfaction. The draft was in the amount of $70,874.00, full payment of the judgment.

The draft was forwarded with documents clearly evidencing an intent by defendant that payment was forwarded in full settlement of this action. See, Appendix, P. A-1, undersigned counsel's letter of January 6, 1994.

The draft was endorsed by plaintiffs and their attorney and cashed January 10, 1994. (See Appendix, p. A-4, A-5.)

Under the doctrine of accord and satisfaction, petitioners' claims have been resolved. The elements of an accord and satisfaction, include an unliquidated or disputed claim, a tender by the debtor, and an acceptance by the creditor. *McClelland v. Security Industrial Insurance Co.*, 426 So.2d 665, *writ denied*, 430 So.2d 94 (La. App. 1 Cir. 1982); *First Municipal Leasing Corp. v. State*, 422 So.2d 1182, *writ denied*, 427 So.2d 867, 427 So.2d 1197, and *Allstate Insurance Company v. State*, 427 So.2d 1197 (La. App. 1 Cir. 1982).

For there to be an accord and satisfaction the creditor must be fully aware that the tender is offered as final settlement in the matter. *Spalitta v. Hartford Fire Ins. Co.*, 428 So.2d 824 (La. App. 5 Cir. 1983); *Harrington v. Aetna Life Casualty Co.*, 441 So.2d 1255, (La. App. 1 Cir. 1983); *American Bank & Trust Co. v. Hannie*, 568 So.2d 216, (La. App. 3 Cir. 1990), *writ denied*, 572 So.2d 64 (La.

1990); *Reily Electrical Supply, Inc. v. Hollenberg*, 535 So.2d 1321 (La. App. 5 Cir. 1988), *writ denied*, 540 So.2d 331 (La. 1988).

In this case, it is obvious that there has been an accord and satisfaction. The letter of January 6, 1994 (Appendix p. A-1) was forwarded to the petitioners along with the Receipt & Release and Certificate of Docket Satisfaction in complete settlement of this claim. It was forwarded to petitioners through their attorney, who presumably can be held to the standard of knowing that negotiating the draft would operate to release all claims in this matter.

All three elements of accord and satisfaction have been met. Petitioners have no remaining claim that is ripe for adjudication before this court.

DIVERSITY JURISDICTION WAS PROPERLY INVOKED.

Citizenship of the defendant in the instant case turns on whether or not defendant is incorporated. If so, defendant is deemed a citizen of the state in which it is incorporated. 28 U.S.C. 1332(C)(1).

Whether an entity is a corporation for diversity purposes must be determined by state law. *Mutual Service Casualty Ins. Co. v. Country Life Ins.*, 859 F.2d 548, 550 (7th Cir. 1988); *Saxe, Bacon & Bolan, P.C. v. Martindale-Hubbell*, 710 F.2d 87, 89 (2nd Cir. 1983) *Brocki v. American Express Co.*, 279 F.2d 785, 786 (6 Cir.), *cert. denied*, 364 U.S. 871 (1960). When the appropriate regulatory agency has recognized that the entity has been properly incor-

porated pursuant to that state's law, no further inquiry is appropriate, *Fritz v. American Home Shield Corp.*, 751 F.2d 1152 (1985).

State Farm Mutual Automobile Insurance Company was incorporated under the laws of the State of Illinois on March 29, 1922. This can be evidenced by referring to records from the Department of Trade and Commerce. Petitioners argue that because defendant filed Articles of Association as opposed to Articles of Incorporation, it is in fact not incorporated. Petitioners' argument is in error. The proper method for an insurance company to become incorporated in the State of Illinois, Louisiana and in most other states is to file Articles of Association with the Commissioner of Insurance. State law dictates that no insurance company may file with the Secretary of State in its attempt to become incorporated.

Defendant's Articles of Association Appendix B, p. B-1 - B-3) consistently and repetitively refers to defendant as a corporation. "Association" is only used in reference to the "Articles" filed by State Farm Mutual Automobile Insurance Company. Otherwise, the Articles set out all the requisites of a corporation, including a proper name (an incorporated entity must end with either Corp., Inc., Co., or Ltd.); the principal or home office; its duration, its purpose; and a Board of Directors organized in accordance with Corporations law.

Thus, State Farm Mutual Automobile Insurance Company is properly incorporated under the law of the State of Illinois. Case law is clear in finding that mutual insurance companies that are incorporated under state law

are treated as corporations under 28 U.S.C. 1332 (C)(1); *Mutual Serv. Cas. Ins. Co. v. Country Life Ins. Co.*, 859 F.2d 548, 551 (7 Cir. 1988); *Barnett v. Norfolk & Devham Mutual Fire Ins. Co.* 1991 WL 193124 (N.D. Ga.). Additionally *Barnett* cites *Cote v. Wadel*, 796 F.2d 981, 983 (7th Cir. 1986) which states that "incorporated reciprocal insurance associations are treated as if they were incorporated because associations were subject to the same regulation as INCORPORATED INSURANCE COMPANIES".

In *State Farm Fire & Casualty Company v. Byrd*, 710 Fed. Supp. 1292 (N.D. Cal. 1989), the identical argument was made and rejected.

A corporation is a citizen of the state in which it is incorporated and has its principal place of business. State Farm is incorporated in, and has its principal place of business in, Illinois. See Appendix, B-1.

There is no contradictory evidence presented by plaintiffs. There is no injury here. There is no injury which would rise to a constitutional level. There is no conflict among the U. S. appellate courts. There is no inter-circuit conflict within the Fifth Circuit Court of Appeal.

28 U.S.C. 1332(C)(1) IS INAPPLICABLE.

It is a well settled rule that an action against the uninsured motorist provisions of an automobile liability policy is not a "direct action" within the proviso of 28 U.S.C. Section 1332(C)(1). Petitioners' argument is completely wrong. *Tuck v. USAA*, 859 F.2d 842 (10 Cir. 1988), *cert denied*, 109 S.Ct. 1534, 103 L.Ed. 839 (1989); *Adams v.*

State Farm Mutual Automobile Ins. Co., 313 Fed. Supp. 1349 (N.D. Miss. 1970); *Irvin v. Allstate Ins. Co.*, 436 Fed. Supp. 575 (WD Okla. 1977); *Ferrerra v. Aetna Casualty & Surety Co.*, 436 Fed. Supp. 929 (WD Ark. 1977).

CONCLUSION

Petitioners have no standing to bring this petition of certiorari. Respondent objects to the court's jurisdiction over this matter. Petitioners have accepted payment of the claims. Petitioners' claims are barred by the doctrine of accord and satisfaction.

The attempts to remand this case were fully and fairly heard at the trial court level, and properly denied. State Farm is an Illinois corporation with its principal place of business in Illinois. Petitioners are residents of the State of Louisiana. Diversity jurisdiction was properly invoked, pled, and proven. Petitioners' argument that 28 U.S.C. 1332(C)(1) applies to an action under the uninsured motorist provision of an auto liability policy is clearly erroneous.

Petitioners have sustained no injury. Petitioners merely tried their case in federal court rather than state court. The federal court properly applied Louisiana law. Petitioners obtained a judgment, which has been paid and accepted. No injury of constitutional proportions is presented. There is no conflict among the federal appellate circuts, nor even within the Fifth Circuit Court of Appeal.

This court should deny the petition for writ of certiorari. Respondent is entitled to, and prays for, its costs for filing this brief in response.

Respectfully submitted,

MATTHEW J. UNGARINO #15061
DAVID I. BORDELON #16815
1470 ONE LAKEWAY CENTER
3900 NORTH CAUSEWAY BLVD.
METAIRIE, LA 70002
(504) 835-0077

PROOF OF SERVICE

I, Matthew J. Ungarino, attorney for respondent, State Farm Mutual Automobile Insurance Company, hereby certify that on this day, I have served copies of the foregoing Opposition to Writ of Certiorari on:

Evangeline M. Vavrick
LAW OFFICE OF
EVANGELINE M. VAVRICK
912 Louisiana Avenue
New Orleans, Louisiana 70115
(504) 899-5555

By mailing a copy thereof, postage prepaid addressed to her office, this 5th day of April, 1994.

MATTHEW J. UNGARINO

APPENDIX A

ATTORNEYS AT LAW
1470 LAKEWAY ONE
3900 N. CAUSEWAY BOULEVARD
METAIRIE, LOUISIANA 70002

MATTHEW J. UNGARINO
DAVID I. BORDELON
PATRICK J. SANDERS
JULIE A. KNUTEL

(504) 835-0077
FAX: (504) 835-0398

JANUARY 6, 1994

Evangeline M. Vavrick, Esq.
912 Louisiana Avenue
New Orleans, Louisiana 70115

RE: Stephen Gallodoro
Claim No: 18-5421-521
File No: 1-2272

Dear Evangeline:

Enclosed are the following closing documents and draft in full and final satisfaction of your client's claim in the above referenced action:

1. The original and two copies of a General Release, Release of all Claims and Indemnity Agreement. Please have the original and one copy executed and return them to me.

2. The original and one copy of the Certificate of Docket Satisfaction. Please execute the original and return it with the Receipt and Release.

3. State Farm Mutual Automobile Insurance Company's draft in the amount of $70,874.00 payable to Stephen Gallodoro and Malvina Gallodoro and their attorney, Evangeline M. Vavrick.

This is forwarded with the understanding that you will protect our interests by executing and returning the enclosed documents prior to negotiation of this draft.

Thank you for your co-operation in this regard.

Yours very truly,

/s/ Matthew J. Ungarino
Matthew J. Ungarino

GENERAL RELEASE, RELEASE OF ALL CLAIMS AND INDEMNITY AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

THAT we, Stephen Gallodoro and Malvina Gallodoro, for the sole consideration of the sum of SEVENTY THOUSAND EIGHT HUNDRED SEVENTY-FOUR AND NO/100 (70,874.00) DOLLARS, in hand paid, the receipt whereof is hereby acknowledged, do hereby release and forever discharge State Farm Mutual Automobile Insurance Company of and from any and all claims or demands of whatsoever kind or nature, for or because of any matter or thing done, omitted or suffered to be done by State Farm Mutual Automobile Insurance Company prior to and including the date hereof, and particularly on account of any and all claims which we have or may have for injuries, damage, loss or expenses, regardless of the kind or nature, as a result of the accident which occurred on or about January 24, 1990 at or near the intersection of Dauphine Street and Elysian Fields Avenue, New Orleans, Louisiana.

WE DO FURTHER HEREBY agree to indemnify and hold harmless the said State Farm Mutual Automobile Insurance Company of and from any and all further claims that may be made or asserted by US or anyone because of the injuries, damage, loss or expenses suffered in the aforesaid accident, whether such claim is made by way of indemnity, contribution, subrogation or otherwise.

IT IS FURTHER understood and agreed that the parties herein released have not admitted any liability

whatsoever and it is recognized and understood that they do specifically deny any and all responsibility in connection with the claims and suit described herein.

THE AFORESAID payment is also reveived in full compromise and settlement of the matter entitled: "Stephen Galladoro and Malvina Gallodoro v. State Farm Insurance Company" bearing No. 90-5025, Section M of the United States District Court for the Eastern District of Louisiana, and we hereby instruct our counsel of record to file an appropriate motion dismissing said suit, with prejudice, each party to bear his own costs of court.

THE FOREGOING payment is also received in full compromise and settlement of any and all claims that we have or may have against the said State Farm Mutual Automobile Insurance Company under the policy of insurance issued to Stephen Gallordore whether under the liability, medical payment, or any other feature of said policy as a result of the aforesaid incident.

IN WITNESS WHEREOF, we have hereunto set our hand, this ____ day of ____, 1994.

WITNESSES:

_____ _____

STEPHEN GALLODORO

_____ _____

MALVINA GALLOLLDQRO

This Release of all Claims has been read and approved as to form and content.

_____

Attorney for Releasor

STATE OF LOUISIANA

PARISH OF

A C K N O W L E D G M E N T

ON THIS ____ day of ____, 1994, before me personally appeared: **STEPHEN GALLODORO AND MALVINA GALLODORO,** to me known to be the persons described in and who executed the foregoing instrument and acknowledged that said instrument was executed freely and for the purposes therein set forth.

_____

NOTARY PUBLIC

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF LOUISIANA

STEPHEN GALLODORO AND MALVINA GALLODORO	*	**CIVIL ACTION**
VERSUS	*	**NO: 90-5025**
STATE FARM INSURANCE COMPANY	*	**SEC, M Mag. 4**

FILED: _____ _____

DEPUTY CLERK

CERTIFICATE OF DOCKET SATISFACTION

NOW INTO COURT, Through undersigned counsel, come Stephen Gallodoro and Malvina Gallodoro, plaintiffs herein, who acknowledge receipt of full payment in satisfaction of judgment rendered against State Farm Mutual Automobile Insurance Company, defendant herein, and do hereby authorize, instruct and direct the Clerk of Court to mark the docket "Judgment Paid - Docket Satisfied" and authorize their attorney to act on their behalf.

_____

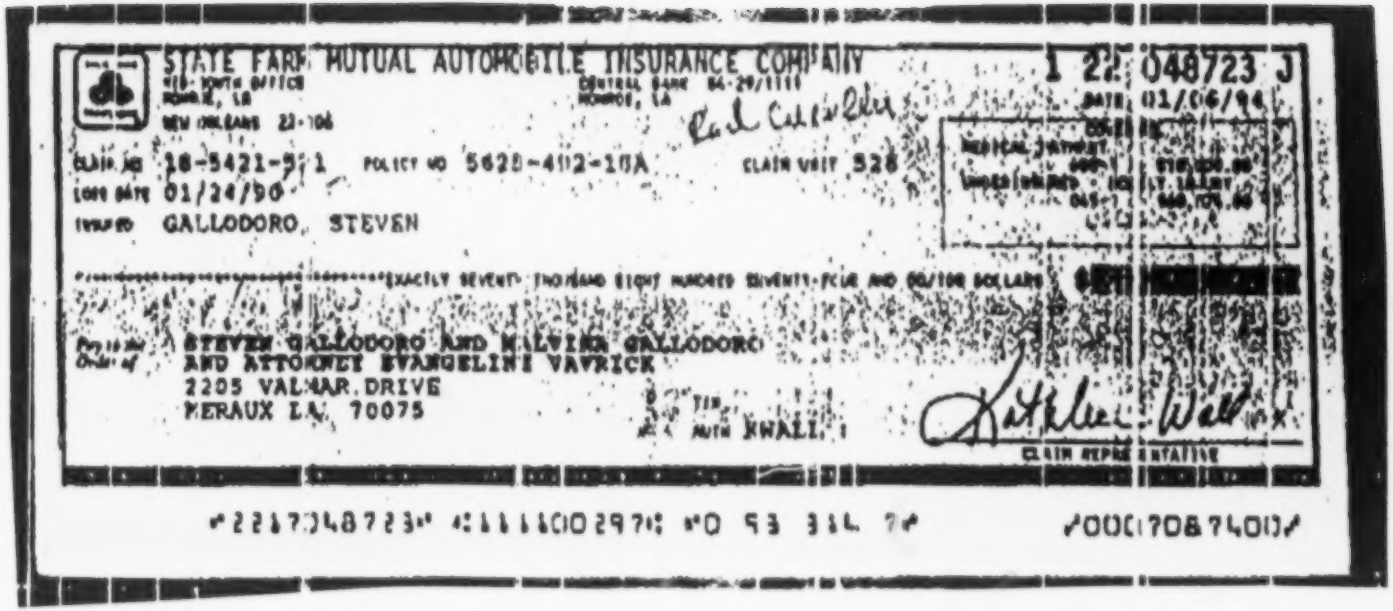
EVANGELINE M. VAVRICK

This ____ day of ____, 1994.

_____

CLERK, UNITED STATES DISTRICT COURT

BEST AVAILABLE COPY



STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

1 22 048723 J

DATE 01/06/94

CLAIM NO 18-5421-91 1 POLICY NO 5628-4112-10A CLAIM UNIT 528

LOSS DATE 01/24/90

INSURED GALLODORO, STEVEN

MEDICAL PAYMENT $10,000.00

UNDERINSURED $ 40,000.00

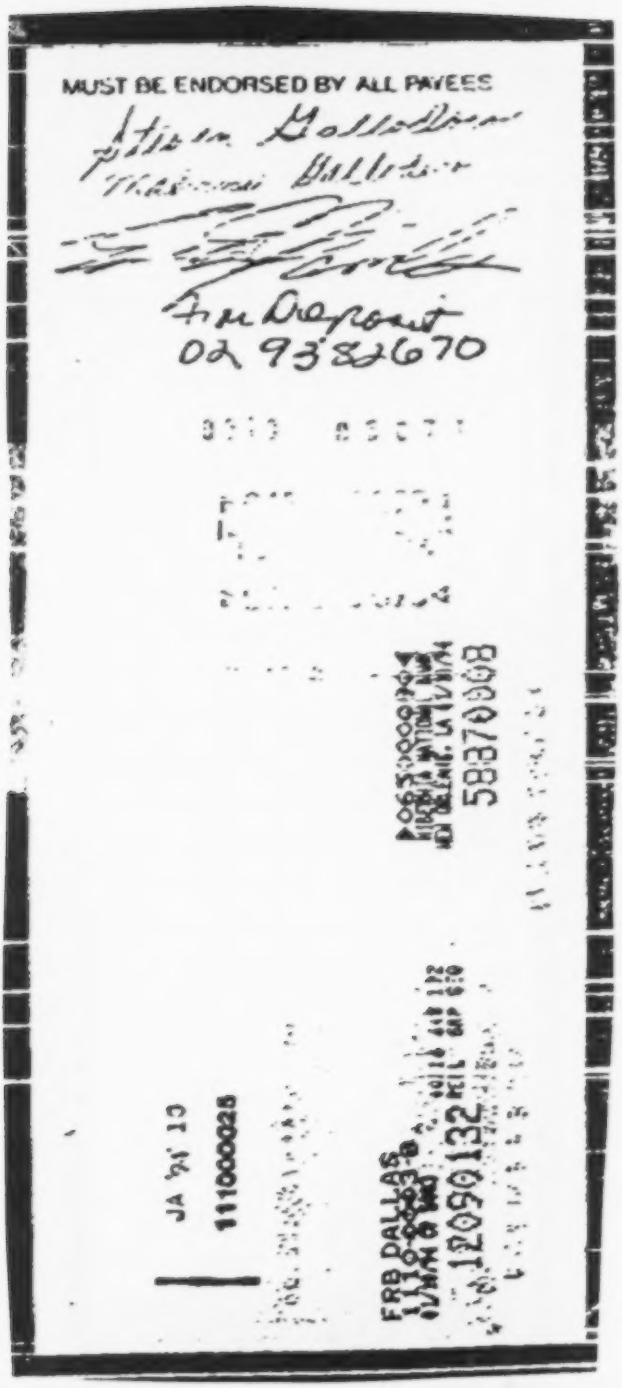
EXACTLY SEVEN THOUSAND EIGHT HUNDRED SEVENTY-FOUR AND 00/100 DOLLARS $7874.00

PAY TO THE ORDER OF STEVEN GALLODORO AND KALVINA GALLODORO AND ATTORNEY EVANGELINE VAVRICK
2205 VALMAR DRIVE
MERAUX LA. 70075

TIN
AUTH SMALL

CLAIM REPRESENTATIVE

⑈048723⑈ ⑆111600297⑆ 0 53 31L 7⑈ ⑈0007087401⑈



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APPENDIX B

RESTATED ARTICLES OF ASSOCIATION OF STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

ARTICLE I. The name of the corporation shall be STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY.

ARTICLE II. The principal or home office of the corporation shall be located in the City of Bloomington, County of McLean and State of Illinois.

ARTICLE III. The period of duration of the corporation shall be perpetual.

ARTICLE IV. The classes of insurance business in which the corporation proposes to engage and the kinds of insurance in each class it proposes to write (including cession of and acceptance of reinsurance of all or any part of any risk) are as set forth and defined in

Class 2 (a) accident and health; (b) vehicle; (c) liability; (d) workmen's compensation; (e) burglary and forgery; (f) glass; (g) fidelity and surety; (h) miscellaneous; (i) other casualty risks; and (j) contingent losses, and

Class 3 (a) fire; (b) elements; (c) war, riot and explosion; (d) marine and transportation; (e) vehicle;

(f) property damage, sprinkler leakage and crop; (g) other fire and marine risks; and (h) contingent losses,

of Section 4 of the Illinois Insurance Code, or as said section may be hereafter amended, said code being an Act entitled, "An Act to revise the law relating to insurance and to repeal certain Acts therein named," (Approved June 29, 1937. Effective July 1, 1937) as amended.

ARTICLE V. (a) The corporate powers shall be exercised by a Board of Directors, the number of whom, which shall be not less than eleven (11) nor more than fifteen (15), shall be provided in the By-Laws. All Directors shall be natural persons who are members of the corporation and who are at least twenty-one years of age. At least three Directors shall be residents and citizens of Illinois. The Board of Directors shall be divided into three classes as nearly equal as possible, as fixed by the by-laws, and the term of office of each class shall be for three years. Directors shall hold office until their successors are elected and qualified. All Directors shall be elected by the members at their annual meeting. The members may vote in person or by proxy at all meetings of members as provided by the by-laws. Vacancies in the Board of Directors may be filled by the remaining Directors until the next annual meeting of members when the vacancies shall be filled by the members for the remainder of the term.

(b) The Board of Directors shall have power, consistent with law and these Articles of Association, to make, alter, amend and repeal By-Laws and rules and regulations

and to take all other action necessary or desirable for the government of the Directors, officers, members, agents and employees of the corporation and for the conduct of its business and affairs.

(c) The corporation is organized upon the mutual plan and shall be subject to those laws applicable to mutual insurance corporations transacting the classes and kinds of insurance set forth in these Articles of Association and engaged in by the corporation.

* * * * * * *

I, Laura P. Sullivan, Secretary of State Farm Mutual Automobile Insurance Company, do hereby certify that Association of State Farm Mutual Automobile Insurance Company as amended, subject to and effective upon the approval of the Director of the State of Illinois Department of Insurance, by a resolution duly adopted by the Board of Directors at its regular meeting held at the home office of the Company on March 13, 1988.

In witness whereof I have hereunto set my hand and caused the seal of State Farm Mutual Automobile Insurance Company to be hereunto affixed this 19th day of April, 1988.

(SEAL)

/s/ Laura P. Sullivan

Laura P. Sullivan, Secretary

* * * * * * *

Approved and filed this 28 day of April, 1988,. A.D. 1988.

/s/ John E. Washburn

Director of Insurance
John E. Washburn

B-5

AFFIDAVIT

The undersigned hereby attests that the attached Company's Certificate of Authority issued to State Farm Mutual Automobile Insurance Company by the State of Louisiana is a true copy of said document.

/s/ John P. Gartin

John P. Gartin
Counsel
State Farm Mutual Automobile
Insurance Company

State of Illinois:

County of McLean:

Signed before me on August 15, 1991 by John P. Gartin.

(seal)

"OFFICIAL SEAL"
Beverly LaDuke
Notary Public
State of Illinois
My Commission Expires
2/8/94

/s/ Beverly LaDuke

Notary Public

DON FRISBY

AUG 20 1991

RESIDENT CLM. SUPT.

STATE OF LOUISIANA

(SEAL)
DUDLEY A. GUGLIELMO
COMMISSIONER
COMMISSIONER OF INSURANCE
BATON ROUGE

AMENDED

Company's Certificate of Authority

Whereas, the *STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY* located at *BLOOMINGTON, ILLINOIS* has applied for a certificate of authority and made the filings required of such Insurer:

Therefore, I, Dudley A. Guglielmo, the undersigned, Commissioner of Insurance, do hereby certify that the said *STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY* is authorized to transact its appropriate business of _____

HEALTH AND ACCIDENT, VEHICLE, LIABILITY, FIRE AND EXTENDED COVERAGE, STEAM BOILER AND SPRINKLER LEAKAGE, CROP AND LIVESTSOCK, MARINE AND TRANSPORTATION (Inland Marine).

_____Insurance in this State, in accordance with the laws thereof. This certificate shall remain in effect until cancelled, suspended, revoked, or the renewal thereof refused.

In Testimony Whereof, I hereunto subscribe my name, and affix the seal of my office at Baton Rouge,

this 23rd

day of March A.D. 1966

/s/ Dudley A. Guglielmo

Commissioner of Insurance

(SEAL)

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

(SEAL) I, the undersigned, Director of Insurance of the State of Illinois, hereby certify that the document to which this Certification is attached is a true and correct copy of the original now on file in and forming a part of the records of the Department of Insurance.

In witness whereof, I hereto set my hand and cause to be affixed the Seal of my office in Springfield, Illinois.

Date: SEP 30 1991 Stephen F. Selcke
Director of Insurance

IL 446-0135 (3/84)

STATE OF ILLINOIS

DEPARTMENT OF TRADE AND COMMERCE

Division of Insurance

Springfield, Illinois,

March 29, 1922.

I, GEORGE A . BARR, Director of Trade and Commerce of the State of Illinois, do hereby certify that I have examined the *Articles of Association for the STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY*, located at Bloomington, Illinois, and find the same to be in compliance with the provisions of an Act entitled, "*An Act to provide for the organization and management of mutual insurance corporations*, other than life; and repealing certain Acts and parts of Acts therein referred to"; approved June 29, 1915, in force July 1, 1915, and amendments thereto, and the same are hereby approved.

(SEAL)

In Testimony Whereof, I hereto subscribe my name, and affix the Seal of my office, at Springfield, the day and year first above written.

/s/ George A. Barr

Director of Trade and Commerce.

ATTEST:/s/ T. J. Houston
Superintendent of Insurance

To the Honorable *GEORGE A. BARR*
Director of Trade and Commerce of Illinois.

We, the undersigned, *Nicolas J. Schmitz, Charles Holz, J. W. Coale, Tobias Rhodes, L. E. Lingenfelter, H. F. Hoferkamp, Nicholas Walsh, R. H. Switzer, Milton Deatherage, Clyde Collins, A. L. Strange, William B. McFurland, A. O. Eruchtl, J. H. Barker, Joseph Jacqenot, H. J. King, Joseph F. Lewis, Jacob Epplin, John A. Nain; W. H. Bean, S. B. Mason and P. N. Jones.*

The majority of whom are bona fide residents of the State of Illinois, hereby associate ourselves together as a body corporate for the purpose of transacting insurance business on the mutual plan, under the provisions of an Act of the General Assembly of the State of Illinois, entitled "An Act to provide for the organization and management of mutual insurance corporations, other than life, and repealing certain Acts and parts of Acts therein referred to," approved June 29, 1915, in force July 1, 1915, and for the purpose of such organization subscribe to the following *ARTICLES OF ASSOCIATION and hereby certify as follows, to-wit:*

1. The name of such corporation shall be *STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY*

2. The principal or home office shall be located in *BLOOMINGTON* County of *McLEAN*, State of Illinois.

3. The purpose for which such corporation is formed is *To insure against loss, expense, and liability resulting from the ownership, maintenance or use of any*

automobile or other vehicle.

4. The names and addresses of those composing the Board of Directors in which the management of the company shall be vested until the first meeting of members are as follows, respectively, to-wit:

NAME.	CITY.	COUNTY.	STATE
J. J. Prator	Vandalia	Fayette	Illinois
William B. McFarland	Hoopeston	Vermilion	Illinois
Charles Holz	Buckley	Iroquois	Illinois
S. B. Mason	Bloomington	McLean	Illinois
J. W. Coale	Holder	McLean	Illinois
P. N. Jones	Bloomington	McLean	Illinois
G. J. Mocherle	Normal	McLean	Illinois

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5. The names and residences of incorporators are as follows, respectively, to-wit:

NAME.	CITY.	COUNTY.	STATE
Nicholas J. Schmitz	Chicago	Cook	Illinois
Charles Holz	Buckley	Iroquois	Illinois
J. W. Coale	Holder	McLean	Illinois
Tobias-Rhodes	Sullivan	Moultrie	Illinois
L. E. Lingenfelter	Ullin	Pulaski	Illinois
H. F. Hoferkamp	Mattoon	Coles	Illinois
Nicholas Walsh	Morris	Grundy	Illinois
R. H. Switzer	Secon	Woodford	Illinois

NAME.	CITY.	COUNTY.	STATE.
Milton Deothorage	Rio	Knox	Illinois
Clyde Collins	Rose Hill	Jasper	Illinois
A. L. Strange	Hillsboro	Montgomery	Illinois
William B. McFarland	Hoopeston	Vermilion	Illinois
A. O. Fruchtl	Sigol	Shelby	Illinois
J. H. Barker	Mazon	Grundy	Illinois
Joseph Jacqerot	Murphysboro	Jackson	Illinois
H. J. King	Carlock	McLean	Illinois
Joseph F. Lewis	Niota	Hancock	Illinois
Jacob Epplin	Pinckneyville	Perry	Illinois
John A. Main	Wadsworth	Lake	Illinois
W. H. Bean	Blue Mound	Macon	Illinois
S. B. Mason	Bloomington	McLean	Illinois
P. N. Jones	Bloomington	McLean	Illinois

6. The corporate powers shall be exercised by a Board of Directors elected by the members of the company at the annual meeting. In all elections for directors each member shall have the right to vote in person or by proxy, as provided by the By-Laws. The Board of Directors shall fill all vacancies until the next annual meeting. The number of Directors and their terms of office shall be fixed and governed by the By-Laws.

7. The Board of Directors shall elect a president, a vice-president, a secretary and such other officers as they may deem necessary, who shall hold their offices for the period of *three years*, or until their successors are duly

elected and have qualified, and the Board of Directors shall fill any vacancy in any such office. *They shall adopt By-Laws for their own government and the government for the officers of the company, not inconsistent with the Articles of Association,* and the Act under which the company is incorporated and all Amendments thereto, and the Constitution and Laws of the United States and of this State, and shall have the control, direction and management of the affairs of the company. They shall meet regularly, at times to be fixed by the By-Laws, and at such meetings shall receive from the offices and give such directions as to them shall seem to be for the best interests of the company. They shall rquire all of the officers and agents of the company who have control of or handle any of its funds to give bonds which in their discretion it may be deemed necessary, with such sureties and conditions as they shall deem proper, and may remove any officer when the interest of the company shall require, as provided by the By-Laws.

8. The qualifications of members of the company shall be prescribed by the By-Laws. In any regular or special meeting of policy holders each member shall be entitled to one vote and *twenty* members present in person or by proxy shall constitute a quorum for the transaction of business. *These Articles of Association may be amended at any time in accordance with law.*

In witness whereof we hereunto subscribe our names and certify that the above is the Articles of Association for the organization of the *STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY* this 31st day of January A.D. 1922.

Signed Signatures

Nicholas J. Schmitz	[SEAL]	517 W.North Ave, Chicago, Ill[SEAL]
Charles Holz	[SEAL]	Buckley, Ill [SEAL]
J. W. Coale	[SEAL]	Holder, Ill. [SEAL]
Tobias Rhodes	[SEAL]	Sullivan, Ill. [SEAL]
L. E. Ligenfelter	[SEAL]	Ullin, Ill. [SEAL]
H. F. Hoferkamp	[SEAL]	Mattoon, Ill. [SEAL]
Nicholas Walsh	[SEAL]	Morris, Ill. [SEAL]
R. H. Switzer	[SEAL]	Secon, Ill. [SEAL]
Milton Deothorage	[SEAL]	Rio,Ill. [SEAL]
Clyde Collins	[SEAL]	Rose Hill Ill. [SEAL]
A. L. Strange	[SEAL]	Hillsboro Ill. [SEAL]
William B. McFarland	[SEAL]	Hoopeston Ill.
A. O. Fruchtl	[SEAL]	Sigel Ill. [SEAL]
J. H. Barker	[SEAL]	Mazon Ill. [SEAL]
Joseph Jacqerot	[SEAL]	Murphysboro Ill. [SEAL]
H. J. King	[SEAL]	Carlock Ill. [SEAL]
Joseph F. Lewis	[SEAL]	Niota Ill. [SEAL]
Jacob Epplin	[SEAL]	Pinckneyville Ill. [SEAL]
John A. Main	[SEAL]	Wadsworth Ill. [SEAL]

Signed Signatures

W. H. Bean	[SEAL]	Blue Mound Ill. [SEAL]
S. B. Mason	[SEAL]	Bloomington Ill. [SEAL]
P. N. Jones	[SEAL]	Bloomington Ill. [SEAL]